

AN ORDINANCE 101753

CONSENTING TO THE ISSUANCE OF QUALIFIED TAX-EXEMPT INDUSTRIAL DEVELOPMENT BONDS BY THE CITY OF TATUM INDUSTRIAL DEVELOPMENT CORPORATION TO PARTIALLY FINANCE A \$26 MILLION APPLIED PHYSICS RESEARCH FACILITY IN SAN ANTONIO BY THE NON-PROFIT SOUTHWEST RESEARCH INSTITUTE.

* * * *

WHEREAS, the Southwest Research Institute (the "Institute") is a nonprofit research corporation and a 501(c)(3) organization under the Internal Revenue Code of 1986, as amended (the "Code") and is located within the boundaries of the City of San Antonio (the "City"); and

WHEREAS, the Institute is implementing an extensive capital improvements program at their San Antonio facility and intends to undertake new construction at the site located at 6220 Culebra Road (the "Project"); and

WHEREAS, the total Project cost will be approximately \$26,000,000.00; and

WHEREAS, the Institute intends to finance the capital improvements through the issuance of \$10,000,000.00 in qualified tax-exempt industrial revenue bonds to finance the Project in 2006 and a cash injection of approximately \$6,000,000.00 from the Institute's cash flow; and

WHEREAS, the Institute has made arrangements with a local bank to finance improvements at the Institute provided the bonds to be issued are "qualified tax-exempt obligations" under Section 265 of the Internal Revenue Code, which limits the principal amount of tax-exempt bonds by a governmental issuer and its related entities, to \$10,000,000.00 per year; and

WHEREAS, the City of San Antonio and its related entities have issued or will issue more than \$10,000,000.00 in tax-exempt obligations in 2006, but the City of Tatum Industrial Development Corporation (the "Corporation"), created on behalf of the City of Tatum, Texas, has agreed to issue up to \$10,000,000.00 in qualified tax-exempt obligation bonds for the benefit of the Institute in 2006; and

WHEREAS, it is deemed necessary and advisable that this Ordinance be adopted; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. Pursuant to Section 23(a)(1) of Article 5190.6, Vernon's Texas Civil Statutes, as amended, the City of Tatum Industrial Development Corporation (the "Corporation") is hereby requested by the City Council of the City of San Antonio (the "City Council") to exercise its powers within the City for the purpose of financing facilities for the benefit of the Institute. To comply with the Tax and Equity Fiscal Responsibility Act of 1982 ("TEFRA") regulations, as amended, Mr. M. Paul Martin of Winstead Sechrest & Minick P.C. is hereby appointed to publish notice of and hold a public hearing with respect to the bonds, and that after such public hearing the Mayor may approve the qualified tax-exempt obligation bonds to be issued by the

Corporation. The City confirms the notice published on November 23, 2005 in the *San Antonio Express News* of the hearing to be held on December 12, 2005 in the City by Mr. M. Paul Martin, as more particularly described in Attachment I.

SECTION 2. The City Council consents to the issuance of up to \$10,000,000.00 in qualified tax-exempt industrial development bonds by the City of Tatum Industrial Development Corporation to partially finance a \$26,000,000.00 applied physics research facility in San Antonio by the non-profit Southwest Research Institute.

SECTION 3. Neither this Ordinance nor any action by the Mayor shall obligate the City of San Antonio in any way with respect to the Project or the payment or issuance of the qualified tax-exempt obligation bonds to be issued by the Corporation.

SECTION 4. The City Council of the City and each member of the City Council is hereby authorized, jointly and severally, to execute and deliver such endorsements, instruments, certificates, documents, or papers necessary and advisable to carry out the intent and purposes of this Ordinance.

SECTION 5. If any provision of this Ordinance or the application hereof to any person or circumstance be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and this City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 6. It is officially found, determined, and declared that the meeting at which this Ordinance was adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, Texas Government Code, as amended.

SECTION 7. This Ordinance shall be effective immediately upon the passage of eight affirmative votes; otherwise to be effective ten days after passage.

PASSED AND APPROVED this 1st day of December, 2005.

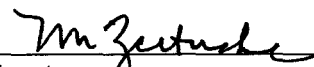

MAYOR PHIL HARDBERGER

ATTEST:



City Clerk

APPROVED AS TO FORM:


for City Attorney

Agenda Voting Results

Name: 8.

Date: 12/01/05

Time: 04:10:23 PM

Vote Type: Multiple selection

Description: An Ordinance consenting to the issuance of qualified tax-exempt industrial development bonds by the City of Tatum Industrial Development Corporation to partially finance a \$26 million applied physics research facility in San Antonio by the non-profit Southwest Research Institute. [Presented by Ramiro A. Cavazos, Director, Economic Development; Jelynn LeBlanc Burley, Assistant City Manager]

Voter	Group	Status	Yes	No	Abstain
ROGER O. FLORES	DISTRICT 1		x		
SHEILA D. MCNEIL	DISTRICT 2		x		
ROLAND GUTIERREZ	DISTRICT 3		x		
RICHARD PEREZ	DISTRICT 4		x		
PATTI RADLE	DISTRICT 5		x		
DELICIA HERRERA	DISTRICT 6		x		
ELENA K. GUAJARDO	DISTRICT 7		x		
ART A. HALL	DISTRICT 8		x		
KEVIN A. WOLFF	DISTRICT 9		x		
CHIP HAASS	DISTRICT_10	Not present			
MAYOR PHIL HARDBERGER	MAYOR		x		

**CONSENTING TO
TAX-EXEMPT INDUSTRIAL REVENUE
BOND FINANCING BY
THE CITY OF TATUM INDUSTRIAL
DEVELOPMENT CORPORATION**

**FOR
SOUTHWEST RESEARCH INSTITUTE**

Item #8

December 1, 2005

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BACKGROUND

Southwest Research Institute (SwRI) is an independent, nonprofit applied research and development organization founded by Thomas Baker Slick, Jr. in 1947.

SwRI is headquartered in San Antonio at 6220 Culebra Road in District 6.

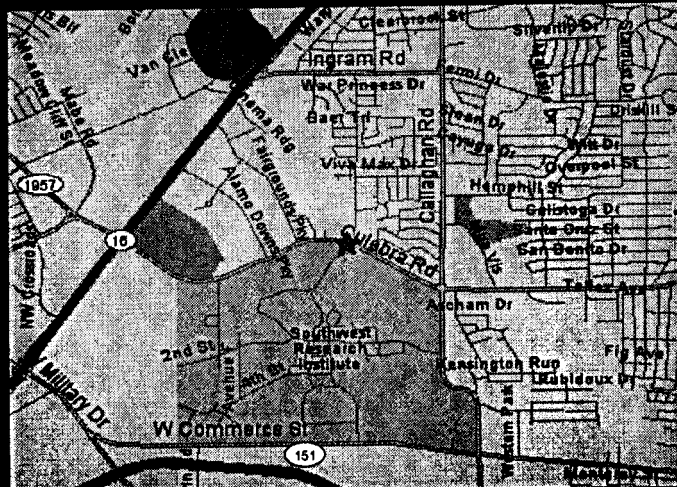
The staff of 3,000 specializes in the creation and transfer of technology in engineering and the physical sciences.

The Institute occupies 1,200 acres in San Antonio, Texas, and provides nearly two million square feet of laboratories, test facilities, workshops, and offices.

The staff performed more than \$435 million in contract research in 2005.

2

Location of SwRI District 6



3

BACKGROUND (cont.)

SwRI research divisions include:

- Aerospace Electronics and Information Technology
- Applied Physics
- Automation and Data Systems
- Fuels and Lubricants Research
- Center for Nuclear Waste Regulatory Analyses
- Chemistry and Chemical Engineering
- Engine, Emissions and Vehicle Research
- Mechanical and Materials Engineering
- Signal Exploitation and Geolocation
- Space Science and Engineering
- Training, Simulation, and Performance Improvement

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